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SUBJECT: NICARAGUA: ORTEGA SIGNS CHAMBER OF COMMERCE PLEDGE

¶1. (U) Summary. On November 1, FSLN presidential candidate Daniel Ortega became the fourth presidential candidate to sign the Nicaraguan Chamber of Commerce's pledge, entitled "Ten Basic Points on Governance and Economic Development." Chamber President Jose Adan Aguerrri signed on behalf of the Chamber. The document publicly commits the candidates to pursue free enterprise policies should they be elected. Ortega used the opportunity to refute the accusation that an FSLN government would garner remittances destined for Nicaraguans. He also said that he would seek to expand trade with other countries in Latin America and the Caribbean, such as Argentina, Brazil, Chile, and Venezuela. Ortega added that he planned to bring the government together with the private sector and workers to develop a consensus on moving the economy forward. End Summary.

¶2. (U) On November 1, FSLN presidential candidate Daniel Ortega became the fourth presidential candidate to sign the Nicaraguan Chamber of Commerce's pledge, entitled "Ten Basic Points on Governance and Economic Development." Edmundo Jarquin of the MRS signed on October 2. Eduardo Montealegre of the ALN and Jose Rizo of the PLC signed on October 24. Eden Pastora of the AC, who trails badly in the polls, was expected to sign on November 2. In signing the Chamber's ten point document, Ortega pledged to:

- Transform the institutional judicial framework that governs the powers of the state, to guarantee a climate of judicial security for the country, based on the principles that characterize the democratic rule of law;
- Guarantee free enterprise and the active participation of the private sector in the development of public policies that permit equal and fair competition under the law and economic policies of the state;
- Execute policies and commercial strategies that guarantee immediate economic benefit from free trade agreements currently being implemented by the country, and continuing the process of market opening and tariff reduction;
- Promote the transformation and modernization of public institutions to guarantee government efficiency and reduce the cost of government, with the objective of channeling additional resources toward economic infrastructure to allow the private sector to attain higher levels of competitiveness in national and international markets;

- Guarantee public order as a means to promote the free exercise of economic activity and the establishment of a stable business climate, with the objective of furthering the development and economic growth of the country, and precluding manipulation and political blackmail in the provision of public services;
- Promote access to credit, training, and technical assistance to small- and medium-sized enterprises as a real and alternative source of jobs and economic growth;
- Promote a strategy of education and professional and technical training that guarantees the human resources required by the country, taking into account global trends that affect the world economy, industry, and trade;
- Develop policies and administrative mechanisms for fair taxation that foster the growth of the income tax system and the reduction of unnecessary charges imposed on business, moving tax collection away from becoming a political instrument of Qfiscal terrorismQ against businesses or the private sector;
- Strengthen the administration and legal framework for public procurement, with the objective of pursuing greater transparency and efficiency in the management of economic resources;
- Pursue economic policies that guarantee:

The free exchange of the cordoba and the avoidance of foreign exchange controls;
Free market prices, without state control except for those public services as prescribed by law or the constitution;

Good domestic and export market performance, without excessive regulation or state control;

The maintenance of a healthy macroeconomic policy, through the control of the fiscal deficit and the supply of money.

¶3. (U) The Board of Directors of the Nicaraguan Chamber of Commerce approved the ten points on September 25, 2006 and then presented them to each of the presidential candidates. Chamber President Jose Adan Aguerri signed on behalf of the chamber.

¶4. (U) Ortega used the public signing ceremony to denounce "dirty campaigning" by competing parties, including the accusation that an FSLN government would garner remittances destined for Nicaraguans. He reiterated that an FSLN government would not automatically convert remittances into cordabas, as others had claimed. If dollars or euros are deposited overseas, he said, then the family members will receive dollars or euros in Nicaragua. He also said that he would seek to expand trade with other countries in Latin America and the Caribbean, such as Argentina, Brazil, Chile, and Venezuela. In addition, he would pursue social programs with Cuba, much as had already been done with Mexico and Guatemala.

¶5. (U) El Nuevo Diario reported that Ortega said he would bring the government together with the private sector and workers to develop a consensus on moving the economy forward. The newspaper quoted him as saying, QWe will combat poverty by drawing on all the capacities of Nicaraguan producers, business, and the private sector.Q
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